

Bus in the UK – Transformational Marketing

When the Competition and Markets Authority conducted its 2011 study of the UK



Bus Market, the major operators all challenged the chosen market definition. Surely, the study had to consider the private car as **the** major competitor with the bus ?

Whenever the competition authorities conduct an investigation into a bus company merger, the companies involved always cite the car as their major competitor.

Is there really a separate 'bus market' or should the market definition be the 'local mobility market' ?

Whenever faced with any regulatory inquiry or legislation, bus operators always seek to define their market in its widest sense and quite rightly, too.

People have choices on how they make short local journeys on foot, by bike, by scooter, motorcycle, car, bus, tram or train. They are all viable means of getting about our towns and cities and, quite rightly, bus operators want the authorities to see their competitive environment in that light.

Amazingly, though, that thought process isn't incorporated in their own marketing strategies !



The bus industry chooses to position itself at a point where car owners are faced with a choice of making individual journeys by bus at a fare incorporating the full cost of delivery of that journey or the very marginal cost of the fuel consumed by their car. Add in the greater convenience of travelling from point to point at the time of their choosing and, invariably, they choose the car !

The bus industry knows full well that it cannot supply every individual journey people make and, therefore, there is a powerful incentive for individuals to acquire a car to give themselves freedom of mobility.

And thereby hangs **a tale of woeful marketing !**

If the bus industry wants to be a serious growth business in an increasingly urban world, it needs to compete with the decision to **buy** a car and not simply the decision to **use** it at the margins.

I remember having that very conversation with one of my more progressive bosses twenty four years ago way back in 1987.

We looked at giving customers a mobility subscription with unlimited bus use coupled with an allowance for taxi trips, train trips and car rental but couldn't quite make the logistics work.



Today that logistical problem can be resolved by existing, proven technology and a customer App presenting customers with all of their options for making local journeys. All backed up by either a monthly subscription or a 'pay as you go' account directly linked to their bank account or credit card with the App

also serving as their ticket for all travel.

So, what's stopping it becoming a reality in 2021 ?

The barriers are governance, commercials and courage !



Putting together a series of wide ranging mobility partnerships is one of the things facilitated by the 2017 Bus Services Act. The 'Enhanced Partnership' powers can be used to bring together bus operators to participate in a wider mobility partnership, potentially owned and controlled by themselves, and encompassing all of the other modes including much greater use of demand responsive, flexible smaller vehicles

for the 'last mile' to allow core bus load factors to be optimised.

We can all squabble about commercials and revenue and data sharing but when **the prize is a transformational shift in demand, even with a very small percentage modal shift**, we should all be smart enough to know when a deal is there to be done which benefits all parties.

Nerves can kick in when we see a big prize within our grasp but there comes a point when we need to stay calm, focused and drive relentlessly forward to secure it.

It is all very well taking delivery of 'state of the art' buses with zero emission hydrogen or electric power, eye catching branding, leather seats, free wifi and USB charging but **the marketing imperative is to make an irresistible proposition to customers** which will maximize demand at a point **before** they have committed to car ownership. Otherwise the industry is **locking itself in a cul de sac populated by the young, the elderly and the carless** and even the elderly are increasingly choosing to retain and use their car despite the availability of free travel on the bus !

Who has the vision and courage to reverse the bus out of that cul de sac and **deliver a customer proposition which caters for complete urban mobility for all** - and not just at the times and to the places which suit big bus operation ?



Is the UK bus industry akin to a **lion ready to roar** or a homeless tabby cat knowing its place is to live in a grubby cardboard box at the scruffy end of the High Street ?

Is it brave and bold enough to sense that there is a **technology driven, ride sharing, ride hailing new dawn**

there to be exploited ?

Is it brave and bold enough to give up its reliance on a **core of revenue from free concession schemes, scholars travel, local authority contracts and fuel subsidy** ?



Is it brave and bold enough to stake its future on building on its position as **the biggest ride sharing business in the UK** and realise **the time has come for it to shine as the beating heart of the ride sharing revolution** ? To let the past go and **embrace a new future where a smartphone app replaces a windy bus stop, old fashioned pricing models and rigid timetables** ?

There are finally signs that **people are slowly beginning to fall out of love with private car ownership and aspire to**

cleaner, healthier, liveable towns and cities no longer choked by congestion and poisonous air from excessive car use.

The bus industry needs to move quickly to ride that wave and truly turn the tide.

It simply **cannot win this battle alone** and should grasp the opportunities presented by technology and legislation to **work with public and private sector allies to provide something even better than a car in the drive in the form of seamless, ride sharing mobility on tap.**

Bringing this approach into Bus Service Improvement Plans across England **with progressive Local Authorities prepared to manage car use** through environmentally friendly parking, traffic management measures, road pricing and congestion charging **can be transformational for cities, bus operators and other mobility partners.**

Time for the lion to roar ?